price squeeze will not constitute an exclusionary practice in the context of a fully regulated monopoly." 915 F.2d at 29.

Third, Verizon does not possess monopoly control over an essential input in Rhode Island. As the undisputed record here demonstrates, Cox has deployed facilities-based residential service to between 75 and 95 percent of all homes in Rhode Island. See Application at 79; see also DOJ Eval. at 5; Sprint at 9 ("Cox appears to provide a widespread, facilities-based competitive alternative in Rhode Island."). Thus, there is a ubiquitous alternative to Verizon's local network, and the preconditions for a finding of monopoly control over an essential input are therefore absent.

Indeed, given the significant amount of residential competition in Rhode Island, there also is no factual predicate for entertaining the long distance incumbents' price-squeeze claim under section 271's public interest provision. As the D.C. Circuit explained, the threshold for conducting a price-squeeze inquiry is proof that "local telephone markets [are] characterized relatively low volumes of residential competition from non-BOC firms." Sprint, 2001 WL 1657297, at *3. The long distance incumbents accordingly assert that, in Rhode Island, "competitors will be frozen out of the local residential market in Rhode Island if Verizon is permitted to charge its current rates." See AT&T at 17; see also Sprint at 7. But the long distance incumbents provide no factual support for this claim. Nor could they, given the indisputably high levels of residential competition in Rhode Island. As Verizon has demonstrated, competitors in Rhode Island are serving approximately 120,000 lines using all three modes of entry under the Act. See Application at 2. Moreover, given that Rhode Island is a small state, this level of competition is proportionately greater than in any state that has been granted

section 271 relief, at the time applications were filed in those states. See id. at 2 & Brief Att. A, Ex. 5. In addition, as noted above, facilities-based competition is now available to between 75 and 95 percent of all homes in Rhode Island. Thus, while AT&T claims (at 17) that "it is patently obvious that no competitor could make broad-based entry plans to serve residential customers in Rhode Island," the fact of the matter is that competitors already have made and successfully implemented just such plans.

Moreover, while the long distance incumbents complain specifically about the level of UNE-platform competition, the fact that the majority of residential competition in Rhode Island already is facilities-based means that the policy rationale for promoting UNE-based competition in the first place already has been fulfilled. As the Commission has stated, the widespread availability of UNEs is intended to be only a "transitional arrangement until fledgling competitors . . . develop a customer base and complete the construction of their own networks." UNE Remand Order ¶ 6.[28] In contrast, as Chairman Powell has stated, "[f]acilities-based competition is the ultimate objective" of the Commission's competition policy.[29] Given that facilities-based competition already is widespread in Rhode Island, the objective of the Commission's policies already has been met, and Verizon's entry is accordingly in the public interest. As the DOJ has found, the "wide-spread availability of facilities-based competition, which is the type of

[28] See also Digital Broadband Migration at 4 ("I believe that other methods of entry are useful interim steps to competing for local service, but Commission policy should provide incentives for competitors to ultimately offer more of their own facilities.").

[29] Id. at 4; see also Separate Statement of Chairman Michael K. Powell, Performance Measures and Standards for Unbundled Network Elements and Interconnection et al., Notice of Proposed Rulemaking, CC Docket Nos. 01-318 et al. ("[F]acilities-based competition is the mode of market entry most likely to foster simultaneously and sustainably the Act's mandates of competition, deregulation, and innovation.").

competitive entry best able to ensure healthy ongoing competition and deregulation, counts heavily in favor of granting Verizon's application." DOJ Eval. at 5.

Indeed, it would be inconsistent with the 1996 Act and the Commission's own precedent to focus the public-interest inquiry narrowly on UNE-platform competition,[30] or to attempt to set the rates for such platforms at the lowest conceivable point within the range that a reasonable application of TELRIC would produce. In fact, such policies could ultimately impede the Commission's long-standing policy of promoting facilities-based competition.[31] The Commission itself recently has noted that its policies might be having just such an effect, and it has accordingly sought comment "on whether we should modify or limit incumbents' unbundling obligations going forward so as to encourage incumbents and others to invest in new construction." UNE Triennial Review NPRM ¶ 24. Moreover, facilities-based CLECs have expressed the very same concerns. For example, Allegiance Telecom has stated that expanding "the availability of the UNE-P" "threatens to harm those CLECs that have built their own facilities and do not need to rely on the UNE-P to serve customers."[32]

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[30] See, e.g., Michigan Order ¶ 387 (1997) (public-interest inquiry "include[s] an assessment of whether all procompetitive entry strategies are available to new entrants"); Local Competition Order ¶ 12 (Commission will analyze "three paths of entry into the local market — the construction of new networks, the use of unbundled elements of the incumbent's network, and resale.").

[31] By the same token, encouraging residential UNE-platform competition discourages residential resale competition. And while certain competitors may prefer to compete through platforms, there is no statutory basis on which to justify such a preference, just as there is no basis on which to promote platform-based competition at the expense of facilities-based competition.

[32] Letter from Kevin M. Joseph, Allegiance Telecom, to Magalie R. Salas, FCC, CC Docket Nos. 96-98, 96-262, 97-146, Att. at 2 (Feb. 2, 2001); see also Ex Parte Letter from Kim Robert Scovill, Vice President and General Counsel, Choice One Communications, Inc., to Magalie Roman Salas, Secretary, FCC, CC Docket No. 96-98 (Mar. 12, 2001) ("Choice One's business experience demonstrates that new entrants can

In any event, AT&T's profit-margin analysis is flawed as a factual matter. According to AT&T's analysis, Verizon's current rates would permit AT&T to earn a gross profit margin of approximately $4/month/line in Zone 1, but would cause AT&T to incur gross losses in Zones 2 and 3, resulting in a statewide average gross loss of $0.11 month/line. See Lieberman Decl. ¶ 21. AT&T reaches this erroneous result by understating the revenues it can be expected to earn in Rhode Island. For example, AT&T's analysis here assumes that it would not earn revenues from the Subscriber Line Charge, intraLATA toll, or access charges. See Cupelo/Garzillo/Anglin Reply Decl. ¶ 29 & Att. 2. Moreover, AT&T's analysis is inconsistent with the comparison that it made during the course of the state proceeding, where it compared its costs for a platform with the $28.95 retail price for Verizon's Unlimited Local Calling Offer (which *does* include revenues from these sources). See PUC Report at 45 (noting that, "according to AT&T," the wholesale cost of a UNE-P "is lower than the $28.95 retail price for VZ-RI's Unlimited Local Calling Offer."). Indeed, the difference between the costs of a platform and this $28.95 retail offering yields a gross profit margin of approximately *** *** percent. See Cupelo/Garzillo/Anglin Reply Decl. ¶ 29. Thus, as the PUC found, "VZ-RI's UNE rates are not only 'within the range of what a reasonable application of what TELRIC would produce,' but are, in fact, TELRIC-compliant and, in any case, afford CLECs a meaningful opportunity to compete." PUC Report at 45.

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provide service to small business customers . . . without the need to rely on unbundled local switching purchased from an incumbent LEC. . . . We are unaware of any reason why another carrier could not replicate it using unbundled loops and self-deployed switches, even in second and third tier urban markets. The Commission's rules governing unbundled local switching should reflect this fundamental fact.").

Likewise, comparing Verizon's wholesale rates with the revenues from the average retail customer in Rhode Island also demonstrates that competitors can earn a gross profit margin. For example, comparing the platform rate with the revenues from the actual "average" customer in Rhode Island (which represents a composite of business and residential customers) yields a gross profit margin of approximately *** *** percent. See Cupelo/Garzillo/Anglin Reply Decl. ¶ 29.

IV. THERE ARE NO OTHER LEGITIMATE ARGUMENTS THAT GRANTING VERIZON'S APPLICATION WOULD NOT BE IN THE PUBLIC INTEREST.

In its Application, Verizon demonstrated that local competition in Rhode Island is thriving; that Verizon's local markets will remain open after Verizon obtains section 271 approval; and that permitting Verizon to provide interLATA service in Rhode Island will vastly enhance consumer welfare by increasing both local and long distance competition. See Application at 78-100. The PUC has affirmed all of this, concluding that "[t]he local telecommunications market in Rhode Island is open for competition, as evidenced by the high percentage of CLEC lines in Rhode Island compared to other states at the time of their Section 271 approval." PUC Report at 191. In particular, it notes that "CLECs in Rhode Island were serving both commercial and residential customers"; that "Cox makes local telephone service available to at least 75% of the homes in Rhode Island"; and that, "in addition to facilities-based competition, CLECs are also providing service through resale and UNEs." Id. at 190. Moreover, the PUC finds that "[t]he local market will remain open because of the Rhode Island PAP, the C2C Performance Guidelines and our continuing scrutiny." Id. at 191. The PUC also finds that "VZ-RI's entry into the long-distance market in Rhode Island will more than likely benefit Rhode Island consumers through rate reductions." Id. The PUC accordingly concludes that "approval of VZ-RI's

271 application by the FCC is in the public interest," and it therefore "recommend[s] that the FCC allow VZ-RI to enter the long-distance market and bring the benefits of additional competition to Rhode Island consumers." Id. at 189, 192.

Two of the long distance incumbents — AT&T and Sprint — quibble with a few aspects of these findings, but their arguments are unavailing.

Performance Assurance Plan. Verizon demonstrated in its Application that it is subject to a self-executing Performance Assurance Plan in Rhode Island that mirrors the plans it has adopted, and the Commission has approved, in New York, Massachusetts, and Connecticut. See Application at 95; PUC Report at 191 ("In Docket No. 3256, we adopted a self-executing Rhode Island PAP that is modeled on the plans in effect in New York and Massachusetts."); New York Order ¶ 429; Massachusetts Order ¶ 240; Connecticut Order ¶ 76. Verizon's Rhode Island Plan places approximately $22 million in annual remedy payments at risk, an amount that is proportionately greater than what the Commission has found sufficient in the past. See Application at 95 & n.85; New York Order ¶ 435; Texas Order ¶ 424 & n.1235; Kansas/Oklahoma Order ¶ 274 & n.837; Arkansas/Missouri Order ¶ 129 & n.409. As the PUC has found, "[t]his amount at risk will provide VZ-RI with a strong financial incentive to maintain the quality of its wholesale service." PUC Report at 191.

Although no commenter takes issue with any of this, AT&T complains (at 18) that, under the Plan, Verizon fails to conduct automated permutation testing in Rhode Island in order to determine whether Verizon's performance is at parity for measurements with small sample sizes, even though Verizon does so in New York. AT&T simply has its facts wrong. Verizon has not automated permutation testing in New York and

currently uses the same methodology in Rhode Island, New York, Massachusetts, and Connecticut. See Guerard/Canny/Abesamis Reply Decl. ¶¶ 7-8. In calculating any remedy payments due to CLECs under the plans in all four states, Verizon uses permutation testing when the sample size for a parity measurement is small and when another statistical test indicates a potential performance disparity. See id. ¶ 7. Therefore, AT&T's contention (at 18) that the Rhode Island Plan is not based on the "more accurate indication of Verizon's wholesale performance" is incorrect.

Local competition. The PUC has found that, in Rhode Island, "the local exchange market is irreversibly open to local competition." PUC Report at 189. Indeed, CLECs in Rhode Island are "serving both commercial and residential customers," both through their own facilities "and through resale and UNEs." Id. at 190. Moreover, as no commenter disputes, facilities-based competition is more widely available in Rhode Island than in any other state in the country, with "Cox mak[ing] local telephone service available to at least 75% of the homes in Rhode Island." Id.

As of October 2001, competitors in Rhode Island were serving approximately 120,000 lines, including 45,000 residential lines, and the majority of these lines were being served either wholly or partially over facilities these CLECs deployed themselves (including in all cases their own local switches). See Application at 2, 79-82. Indeed, as Verizon demonstrated in its Application, the amount of competition in Rhode Island — including total CLECs lines, total residential lines, total facilities-based lines, and total facilities-based residential lines — is greater than in any other state that has been granted section 271 approval, at the time applications were filed in those states. See Application at Att. A, Exs. 3-6.

Despite all this, Sprint complains about the level of local competition in Rhode Island, but its claims do not withhold scrutiny. First, Sprint complains (at 8-9) that, while Cox provides local telephone service at lower rates than Verizon to customers that also purchase cable or high-speed Internet access, Cox's rates for standalone telephone service are higher than Verizon's. Of course, Sprint's view that Cox accordingly fails to provide a "meaningful" competitive alternative is directly at odds with the view of Rhode Island consumers, who have switched to Cox in droves. See Local Competition in Rhode Island ¶¶ 26-32. In any event, Sprint is wrong on the facts. For example, its rate comparison fails to take into account the fact Cox's stand-alone telephone service includes features (such as Call Forwarding) that cost extra under Verizon's plans. See Local Competition in Rhode Island Att. 2 at 1 (According to Cox's Website it offers call forwarding for free, whereas Verizon charges $3.65/month). Sprint also fails to take into account that Cox offers lower installation fees than Verizon, that it offers lower intraLATA toll rates, and that it offers special promotions such as a free month of any feature package and 100 free long distance minutes. See id. Moreover, even assuming that Cox's rates for stand-alone telephone service were higher than Verizon's, this is of little consequence given that the vast majority of Rhode Island consumers — more than 70 percent — already are purchasing cable and/or high-speed Internet service from Cox.[33]

Second, Sprint claims that the competitors for business customers in Rhode Island other than Cox are "unviably small" and cannot "be relied on to provide viable

[33] See Broadband Markets, Cox Plans Overbuild in Rhode Island, at www.broadbandmarkets.com/closeup.htm (75 percent of Rhode Island homes subscribe to cable); D. McPherson, Excite Woes May Leave Cox Off Line, Providence Journal-Bulletin at E-01 (Aug. 22, 2001) (Cox serves 95 percent of all cable homes in Rhode Island).

alternative[s] in the long run to Verizon's local service." Sprint at 10-11.[34] Sprint's facts are again divorced from reality. Both AT&T and WorldCom — the country's two largest CLECs and two largest long distance carriers — have been providing competitive service to business customers in Rhode Island for the past five years. See Local Competition in Rhode Island ¶¶ 39-40, 43-44. Moreover, Conversent, Choice One, and PaeTec each provides facilities-based business service in Rhode Island, and each ranks among the 30 largest CLECs in the country.[35]

[34] In a similar vein, Sprint devotes about half of its comments to discussing the supposed "crisis" in the CLEC industry and failure of Bell companies to compete with each other. See Sprint at 3-7. Sprint does not even attempt to suggest, however, that this is at all related to Verizon, Rhode Island, or the section 271 process generally. Indeed, as the Commission has held, such claims are irrelevant here. See, e.g., Pennsylvania Order ¶ 126 ("We disagree with those commenters that assert under our public interest examination we must consider the level of competitive LEC market share, the financial strength of competitive LECs and the failure of other BOCs to enter the market . . . as evidence that, despite checklist compliance, the local market is not yet truly open to competition.").

[35] See New Paradigm Resources Group, Inc., *CLEC Report 2002*, Ch. 4 at Table 21 (15th ed. 2002) (Conversent provides service to 335,000 access lines, ranking it 17th among CLECs; Choice One provides service to 300,000 access lines, ranking it 18th among CLECs; PaeTec provides service to 200,000 access lines, ranking it 27th among CLECs).

CONCLUSION

Verizon's Application to provide interLATA service originating in Rhode Island should be granted.

Respectfully submitted,

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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by Verizon New England	)	
Inc., Bell Atlantic Communications, Inc.	)	
(d/b/a Verizon Long Distance), NYNEX	)	
Long Distance Company (d/b/a Verizon	)	CC Docket No. 01-324
Enterprise Solutions), Verizon Global	)	
Networks Inc., and Verizon Select	)	
Services Inc., for Authorization To	)	
Provide In-Region, InterLATA Services	)	
in Rhode Island	)	

APPLICATION BY VERIZON NEW ENGLAND FOR AUTHORIZATION TO PROVIDE IN-REGION, INTERLATA SERVICES IN RHODE ISLAND

REPLY APPENDIX A

Reply Declaration of Paul A. Lacouture and
Virginia P. Ruesterholz
(Competitive Checklist)

and

Reply Declaration of Elaine M. Guerard,
Julie A. Canny, and Beth A. Abesamis
(Performance Measurements)

and

Reply Declaration of Donna C. Cupelo,
Patrick A. Garzillo, and Michael J. Anglin
(Pricing)

APPLICATION BY VERIZON NEW ENGLAND FOR AUTHORIZATION TO PROVIDE IN-REGION, INTERLATA SERVICES IN RHODE ISLAND

CC DOCKET NO. 01-324

REPLY APPENDIX A

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Reply Declarations

A

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of

Application by Verizon New England Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), Verizon Global Networks Inc., and Verizon Select Services Inc., for Authorization To Provide In-Region, InterLATA Services in Rhode Island	)	CC Docket No. 01-324

REPLY DECLARATION OF PAUL A. LACOUTURE AND VIRGINIA P. RUESTERHOLZ

1. My name is Paul A. Lacouture. I submitted a Declaration with Virginia P. Ruesterholz in this proceeding on November 26, 2001. My qualifications are set forth in that Declaration. I am accountable for the entire reply declaration.

2. My name is Virginia P. Ruesterholz. I submitted a Declaration with Paul A. Lacouture in this proceeding on November 26, 2001. My qualifications are set forth in that Declaration. I am accountable for the entire reply declaration.

I. Purpose of Reply Declaration.

3. The purpose of our reply declaration is to provide updated performance data for several checklist items. We also address the comments of CTC Communications Corp. regarding Verizon's dark fiber offering in Rhode Island.

II. Verizon Provides Loops.

4. There is no dispute that Verizon's overall performance in providing unbundled loops is excellent. As we explained in our declaration, as of September 2001, Verizon has provisioned about 32,000 loops in Rhode Island. Through November 2001, Verizon provisioned more than 34,000 loops in Rhode Island.

a. POTS Loops.

5. Verizon is continuing to deliver stand-alone CLEC POTS loops in Rhode Island when CLECs want them. As we explained in our declaration, during July, August and September 2001, Verizon missed about 1.34 percent of CLEC installation appointments in Rhode Island for CLEC stand-alone POTS loops that require a dispatch and 3.90 percent for the retail comparison group. During October 2001, Verizon's missed appointment rate was 2.01 percent for CLEC stand-alone POTS loops in Rhode Island and 3.47 percent for the retail comparison group. During November 2001, Verizon's missed appointment rate was 1.89 percent for CLEC stand-alone POTS loops in Rhode Island and 2.41 percent for the retail comparison group. *See* Attachment 1.

6. Verizon's performance in Massachusetts continues to be strong. As we explained in our declaration, during July, August and September 2001, Verizon missed about 2.14 percent of installation appointments in Massachusetts for CLEC stand-alone POTS loops that require a dispatch and 5.89 percent for the retail comparison group. During October 2001, Verizon's missed appointment rate was 1.21 percent for CLEC stand-alone POTS loops and 5.80 percent for the retail comparison group. During November 2001, Verizon's missed appointment rate was 0.72 percent for CLEC stand-alone POTS loops and 5.17 percent for the retail comparison group. *See* Attachment 2.

7. Verizon is installing CLEC stand-alone POTS loops with a high degree of quality. During July, August and September 2001, Verizon's rate of installation trouble reports within 30 days (the "I-Code" rate) in Rhode Island was 1.99 percent for CLEC stand-alone POTS loops, compared with 4.12 percent for the retail comparison group. During October 2001, Verizon's I-Code rate in Rhode Island was 1.58 percent for CLEC stand-alone POTS loops, compared with 4.49 percent for the retail comparison group. During November 2001, Verizon's I-Code rate in Rhode Island was 1.86 percent for CLEC stand-alone POTS loops, compared with 3.56 percent for the retail comparison group. *See* Attachment 3.

8. Verizon's installation quality performance in Massachusetts also continues to be strong. As we explained in our declaration, during July, August and September 2001, 1.74 percent of CLEC stand-alone POTS loops in Massachusetts had troubles reported within 30 days, as compared to more than 3.63 percent for the retail comparison group. During October 2001, Verizon's I-Code rate in Massachusetts was 1.56 percent for CLEC stand-alone POTS loops, compared with 3.31 percent for the retail comparison group. During November 2001, Verizon's I-Code rate in Massachusetts was 1.73 percent for CLEC stand-alone POTS loops, compared with 3.12 percent for the retail comparison group. *See* Attachment 4.

9. Verizon's performance for repairing and maintaining CLEC stand-alone POTS loops is strong. As we explained in our declaration, during July, August and September 2001, fewer than one percent of CLEC POTS loops in Rhode Island had reported troubles found in either the outside plant or the central office, compared to 1.24 percent for the retail comparison group. During October and November 2001, fewer than

two-thirds of one percent of CLEC stand-alone POTS loops in Rhode Island had reported troubles found in either the outside plant or the central office, compared to about one percent for the retail comparison group. *See* Attachment 5.

10. Verizon's performance in Massachusetts under these measures also continues to be strong. As we explained in our declaration, during July, August and September 2001, fewer than one percent of CLEC stand-alone POTS loops in Massachusetts had reported troubles found in either the outside plant or the central office, compared to 1.43 percent for the retail comparison group. During October and November 2001, fewer than two-thirds of one percent of CLEC stand-alone POTS loops in Massachusetts had reported troubles found in either the outside plant or the central office, compared to about one percent for the retail comparison group. *See* Attachment 6.

11. Another measure of Verizon's maintenance performance is the missed repair appointment rate. As we explained in our declaration, during July, August and September 2001, Verizon's average missed repair appointment rate in Rhode Island was 4.27 percent for CLEC stand-alone POTS loops and 7.16 percent for the retail comparison group. During October 2001, Verizon's average missed repair appointment rate in Rhode Island for CLEC stand-alone POTS loops was 3.14 percent and for retail comparison group was 4.52 percent. During November 2001, Verizon's average missed repair appointment rate in Rhode Island for CLEC stand-alone POTS loops was 2.97 percent and for the retail comparison group was 4.76 percent. *See* Attachment 7.

12. Verizon's performance in Massachusetts under this measure has continued to be strong. As we explained in our declaration, during July, August and September 2001, Verizon's average missed repair appointment rate in Massachusetts for CLEC

stand-alone POTS loops was 5.35 percent and for Verizon's retail customers was 10.71 percent. During October 2001, Verizon's average missed repair appointment rate for CLEC stand-alone POTS loops in Massachusetts was 4.21 percent and for the retail comparison group was 9.07 percent. During November 2001, Verizon's average missed repair appointment rate for CLEC stand-alone POTS loops in Massachusetts was 2.68 percent and for the retail comparison group was 8.70 percent. *See* Attachment 8.

13. Verizon's mean time to repair CLEC stand-alone POTS loops in Rhode Island continues to be in parity. As we explained in our declaration, during July, August and September 2001, Verizon's mean time to repair CLEC stand-alone POTS loops in Rhode Island was, on average, 15.80 hours for CLECs and 23.13 hours for the retail comparison group. During October 2001, Verizon's mean time to repair CLEC stand-alone POTS loops in Rhode Island was 12.51 hours for CLECs and 14.80 hours for the retail comparison group. During November 2001, Verizon's mean time to repair CLEC stand-alone POTS loops in Rhode Island was 16.84 hours for CLECs and 16.28 hours for the retail comparison group. *See* Attachment 9.

14. Verizon's mean time to repair CLEC stand-alone POTS loops in Massachusetts continues to be in parity. As we explained in our declaration, during July, August and September 2001, Verizon's mean time to repair CLEC stand-alone POTS loops was, on average, 15.04 hours in Massachusetts and 22.97 hours for Verizon's retail customers. During October 2001, Verizon's mean time to repair CLEC stand-alone POTS loops in Massachusetts was 14.22 hours and 18.83 hours for the retail comparison group. During November 2001, Verizon's mean time to repair CLEC stand-alone POTS

loops in Massachusetts was 12.35 hours and 17.12 hours for the retail comparison group. *See* Attachment 10.

15. As we explained in our declaration, Verizon's repeat trouble report rates for CLEC stand-alone POTS loops (MR-5-01) in Rhode Island, when calculated under the new guidelines adopted by the New York PSC for this performance measure, are in parity. During July, August and September 2001, Verizon's repeat trouble report rate for CLEC stand-alone POTS loops in Rhode Island under the new business rules was 16.67 percent and 16.63 percent for the retail comparison group. During October and November 2001, Verizon's repeat trouble report rate for CLEC stand-alone POTS loops in Rhode Island under the new business rules was, on average, 19.27 percent and 14.76 percent for the retail comparison group. *See* Attachment 11. This small difference is not competitively significant.

16. Verizon's repeat trouble report rate in Massachusetts is likewise in parity when calculated under the new guidelines adopted by the New York PSC for this performance measure. During July, August and September 2001, Verizon's repeat trouble report rate for CLEC stand-alone POTS loops in Massachusetts was 18.45 percent and 20.41 percent for the retail comparison group. During October 2001, Verizon's repeat trouble report rate for CLEC stand-alone POTS loops in Massachusetts under the new business rules was 16.24 percent and 19.09 percent for the retail comparison group. *See* Attachment 12. During November 2001, Verizon's repeat trouble report rate for CLEC stand-alone POTS loops in Massachusetts under the new business rules was 17.20 percent and 16.97 percent for the retail comparison group, which are reported on the

November Carrier-to-Carrier Performance Report. *See* Carrier-to-Carrier Performance Reports (Guerard/Canny/Abesamis Reply Decl., Att. 2).

b. Hot Cut Loops.

17. In our declaration, we demonstrated that Verizon uses the same hot cut process in Rhode Island and Massachusetts and that its hot cut performance is excellent. During October and November 2001, Verizon is continuing to provide hot cuts in Rhode Island and Massachusetts with excellent performance.

18. During July, August and September 2001, Verizon completed, on average, 98.28 percent of its hot cut orders in Rhode Island on time. During October and November 2001, Verizon's hot cut on time completion rate in Rhode Island was 99.53 percent and 98.88 percent, respectively. *See* Attachment 13.

19. During July, August and September 2001, Verizon completed on average over 98.23 percent of its Massachusetts hot cut orders on time. During October and November 2001, Verizon's hot cut on time completion rate in Massachusetts was 97.24 percent and 98.28 percent, respectively. *See* Attachment 14.

20. Verizon's installation quality performance for hot cuts in Rhode Island is excellent. During July, August and September 2001, 0.59 percent of CLEC hot cuts in Rhode Island had reported troubles within 7 days of installation, which is better than the benchmark of 2 percent. During October 2001, 0.37 percent of CLEC hot cuts in Rhode Island had reported troubles within 7 days of installation. During November 2001, 0.48 percent of CLEC hot cuts in Rhode Island had reported troubles within 7 days of installation. *See* Attachment 15.

21. Verizon's installation quality performance for hot cuts in Massachusetts also continues to be strong. During July, August and September 2001, 0.45 percent of CLEC hot cuts in Massachusetts had reported troubles within 7 days of installation. During October 2001, 0.37 percent of CLEC hot cuts in Massachusetts had reported troubles within 7 days of installation. During November 2001, 0.44 percent of CLEC hot cuts in Massachusetts had reported troubles within 7 days of installation. *See* Attachment 16.

c. High Capacity Loops.

22. Verizon offers CLECs unbundled access to high capacity (DS-1 and DS-3) loops in Rhode Island in the same manner as in Massachusetts. As of November 2001, Verizon has provisioned about 300 high capacity DS-1 loops, and no high capacity DS-3 loops in Rhode Island.

23. As we explained in our declaration, Verizon is provisioning very few high capacity loops. During July through November 2001, Verizon provisioned only about 10 DS-1 loops per month in Rhode Island. With so few orders, Verizon's monthly reported performance is subject to significant variations. Nonetheless, Verizon's performance in provisioning high capacity DS-1 loops in Rhode Island is strong. During July, August and September 2001, Verizon did not miss any installation appointments in Rhode Island for high capacity DS-1 loops. During October and November 2001, Verizon missed only two installation appointments in Rhode Island for high capacity DS-1 loops. *See* Carrier-to-Carrier Performance Reports (Guerard/Canny/Abesamis Reply Decl., Att. 1).

24. Verizon's on time performance for high capacity DS-1 loops in Massachusetts is also strong. During July, August and September 2001, Verizon missed

only 7.36 percent of high capacity DS-1 loop orders for CLECs in Massachusetts, as compared to 24.64 percent for the retail comparison group. During October 2001, Verizon missed only 5.61 percent of high capacity DS-1 loop orders for CLECs in Massachusetts, as compared to 21.86 percent for the retail comparison group. During November 2001, Verizon missed only 0.89 percent of high capacity DS-1 loop orders for CLECs in Massachusetts, as compared to 14.88 percent for the retail comparison group. *See* Carrier-to-Carrier Performance Reports (Guerard/Canny/Abesamis Reply Decl., Att. 2).

25. Because Verizon has provided a relatively small number of high capacity loops in Rhode Island, it has continued to receive a very limited number of installation trouble reports. As we explained in our declaration, although Verizon's installation quality in Rhode Island is not reported separately for DS-1 loops, Verizon had only one installation trouble reported for high capacity loops and interoffice facilities in July, three in August and none in September. During October 2001, Verizon received no installation trouble reports for high capacity loops and interoffice facilities and only one installation trouble report during November 2001. *See* Carrier-to-Carrier Performance Reports (Guerard/Canny/Abesamis Reply Decl., Att. 1).

26. Finally, Verizon is maintaining high capacity loops on a non-discriminatory basis. As we explained in our declaration, during July, August and September 2001, the trouble report rate in Rhode Island on high capacity loops and interoffice facilities provided to CLECs and the retail comparison group was less than 2 percent. During October and November 2001, the trouble report rate in Rhode Island on

high capacity loops and interoffice facilities was again less than 2 percent. *See* Carrier-to-Carrier Performance Reports (Guerard/Canny/Abesamis Reply Decl., Att. 1).

27. Verizon's performance in maintaining high capacity loops in Massachusetts also continues to be strong. As we explained in our declaration, during July, August and September 2001, the trouble report rate in Massachusetts on high capacity loops and interoffice facilities provided to CLECs and the retail comparison group was less than 2 percent. During October and November 2001, the trouble report rate in Rhode Island on high capacity loops and interoffice facilities was again less than 2 percent. *See* Carrier-to-Carrier Performance Reports (Guerard/Canny/Abesamis Reply Decl., Att. 2).

d. DSL Loops.

28. As we demonstrated in our declaration, Verizon is more than capable of providing commercial volumes of DSL loops. Through November 2001, Verizon has provided about 2,400 DSL loops in Rhode Island.

29. In addition, we demonstrated that Verizon satisfied all checklist requirements for DSL loops. During October and November 2001, Verizon's DSL loop performance continues to be excellent.

30. Verizon is continuing to provision DSL loops when CLECs want them. As we explained in our declaration, during July, August and September 2001, Verizon's missed appointment rate on DSL loop dispatch orders for CLECs in Rhode Island was 1.06 percent. During October 2001, Verizon's missed appointment rate on dispatch orders for CLECs in Rhode Island was 2.41 percent. During November 2001, Verizon missed no installation appointments on DSL loop dispatch orders for CLECs in Rhode

Island. This means that Verizon is provisioning, on average, about 99 percent of DSL loop orders on time. *See* Attachment 17.

31. Verizon's performance in provisioning DSL loops in Massachusetts also continues to be excellent. During July, August and September 2001, the missed appointment rate on DSL loop dispatch orders for CLECs in Massachusetts was 0.46 percent. During October 2001, Verizon's missed appointment rate on DSL loop dispatch orders for CLECs in Massachusetts was 0.95 percent. During November 2001, Verizon's missed appointment rate on DSL loop dispatch orders for CLECs in Massachusetts was 0.56 percent. This means that Verizon is provisioning over 99 percent of DSL loop orders in Massachusetts on time. *See* Attachment 18.

32. As we explained in our declaration, since the New York PSC has decided to eliminate average interval completed measures from the Carrier-to-Carrier Performance Reports, there is no reason for the Commission to consider this measure. Nonetheless, Verizon's average interval completed performance is excellent. During July, August and September 2001, Verizon completed CLEC DSL loop orders that required a dispatch within an average of 6.00 days, which is equivalent to the standard interval for 1 – 5 DSL loops. During October 2001, Verizon completed CLEC DSL loop orders that required a dispatch within an average of 6.77 days. During November 2001, completed CLEC DSL loop orders that required a dispatch within an average of 5.25 days. *See* Carrier-to-Carrier Performance Reports (Guerard/Canny/Abesamis Reply Decl., Att. 1).

33. Verizon's performance under this measure continues to be strong in Massachusetts. During July, August and September 2001, Verizon completed DSL loop

orders that require a dispatch within an average of 5.79 days. During October 2001, Verizon completed CLEC DSL loop orders that require a dispatch within an average of 6.14 days. *See* Carrier-to-Carrier Performance Reports (Guerard/Canny/Abesamis Reply Decl., Att. 2). This measure was eliminated in Verizon's November 2001 report.

34. One provisioning measure that the Commission has not relied on in prior applications is PR-3-10, which shows the percentage of DSL loop orders (1-5 lines) completed within 6 days. Although there is no reason for the Commission to consider this measure, Verizon's performance under this measure is excellent. During July, August and September 2001, Verizon's rate for completing orders for DSL loops within 6 days in Rhode Island was 98.28 percent. During October 2001, Verizon completed 100 percent of CLEC DSL loop orders in Rhode Island within 6 days, after correcting for a programming error in October that incorrectly scored orders missed for customer reasons as orders missed for Verizon reasons. *See* Attachment 19. During November 2001, Verizon completed 100 percent of CLEC DSL loop orders in Rhode Island within 6 days. *See* Carrier-to-Carrier Performance Reports (Guerard/Canny/Abesamis Reply Decl., Att. 1).

35. In addition, Verizon reports the results for PR-3-11 (percent completed within 9 days), which includes orders where a CLEC requested a manual loop qualification. Although there is no reason for the Commission to consider this measure, Verizon's performance under this measure is excellent. During July, August and September 2001, the results for CLECs in Rhode Island were, on average, 99.14 percent. During October 2001, Verizon completed 98.51 percent of CLEC DSL loop orders in Rhode Island within 9 days, after correcting for a programming error that incorrectly